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**ECONOMIC AFFAIRS**

**No. 119**

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CHINA REPORT  
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## NATIONAL POLICY AND ISSUES

### IMPORTANCE OF STATISTICS IN NATIONAL ECONOMY STRESSED

Beijing RENMIN RIBAO in Chinese 19 Jan 81 p 5

[Article by Yue Ping [1471 1627]: "Strengthen Statistical Work"]

[Text] Accurate and timely statistical data provide the basis for a clear understanding, for deciding on policies, and for working out plans, besides serving as a criterion for a scientific forecast on the trend of economic development. We must continue to carry out the relevant resolutions adopted by the State Council in 1979, strengthen statistical work and the ranks of statistics personnel, help the statistics departments solve problems, and provide more active leadership in ideological, organizational and vocational matters.

Strengthening statistical work is an important means of ensuring the smooth progress of our national economic readjustment and restructuring.

At present, overcommitment in capital construction is still an outstanding problem in the readjustment of our national economy. The solution of this problem is therefore the central task in our national economic readjustment. To accomplish this task, the state planning organs must have sufficient accurate statistical data in order to gain a complete picture of the situation and to determine which projects meet social requirements and can be carried on under favorable conditions; which projects, though meeting social requirements, cannot be undertaken now; and which projects do not meet social requirements and are beyond the state's capability. The state planning organs will then reach a decision, adopt suitable measures, and resolutely shorten the overextended capital construction front.

The habit of small-scale production is still exerting a strong influence in our country, which lacks a statistical tradition and is unaware of the important role played by statistics in the efficient management of large-scale modern production. It is even unaccustomed to and incompetent in the use of statistics as an important means of guiding national economic development. In the past, why did we time and time again blindly strive for high speed, high targets, and high accumulation? Why was our national economy for a long time unbalanced? Why were there so many wrong directions given? All these mistakes were inseparable from the lack of attention to statistical work and the failure to make use of statistical data.

While national economic restructuring is taking place in our country, many new phenomena have emerged, such as the expanded power of decisionmaking for the localities, enterprises, communes, production brigades, and production teams; the combination of the regulative roles of planning and the market; the coexistence of various economic components, with the absolute dominance of socialist public ownership assured; the administration of financial affairs at both the central and the local levels; and so forth. The economy is now enlivened. Under these new circumstances, it is even more necessary for statistical work to be strengthened in order to bring about an overall balance. Way back in 1956, Comrade Chen Yun pointed out in his speech in the Third Plenum of the Eighth Central Committee: "After the division of power, the work of maintaining a balance, far from being weakened, should be greatly strengthened." Then what should be relied on in maintaining the balance? One of the important methods is to make use of timely, accurate and comprehensive statistics, and the dissemination of relevant economic statistical information for the guidance of economic development. Through statistics, the leading state organs will have a clear view of the overall economic situation and the trend of its development. In handling the arrangements for production, the readjustment of the product makeup, the allocation of labor power, the formulation of labor policies, the improvement of ecological environment and the people's material and cultural life, and other problems, these leading state organs will be able to act for specific purposes, direct the smooth progress of national economic restructuring, reduce subjectiveness and blind commandism, and prevent chaos in the national economy. Through statistics, the localities, enterprises, communes, production brigades, and production teams will also be able to understand the overall situation with regard to economic development and know how they can best fit in their roles. Then they will be able to use their funds and productive capacity properly and improve their business operation with better economic effects instead of acting blindly. From this, we can see that statistical work is a very important means of guiding national economic restructuring. As long as accurate statistical data are available, supervision will be easier and state intervention will be more effective. The more flexible the economic management, the greater will be the need to strengthen statistical work, and the importance of statistical information will be even more obvious.

Statistical work is indispensable for the management of large-scale socialized production. Accurate and timely statistical data provide the basis for understanding the situation, deciding on policies, and formulating and examining plans, and they serve as a criterion for the scientific forecast of economic development trends. These data can help in a scientific examination of the effects of various economic measures through a sensitive reaction to the changes in the people's material and cultural life. All economically developed countries in the world today attach great importance to the role of statistics in the national economy. They have a whole set of statistical organs, statistical systems, statistical laws, and statistical methods, and they systematically disseminate various kinds of economic statistical information. This is one of the important reasons for their more scientific economic administration and their greater economic achievements.

At present, the foundation of statistical work in our country is too weak, mainly because of the inaccuracy of certain important statistical figures and incomplete statistical substance. In 1979, for example, the total farmland acreage as reported by various localities for statistical purposes was 1.49 billion mu, 190 million mu less than the 1.68 billion mu in 1957. According to the results of on-the-spot aerial surveys carried out in a Beijing county and a Jilin county, the

actual figures were higher than the reported statistical figures by 7.8 percent and 25.8 percent, respectively. If we were to calculate the national acreage on the basis of a 7.8-percent increase, we would have an addition of more than 100 million mu, a figure that is greater than the total farmland acreage in England. Again, some localities and units have falsified their reports on agricultural output by magnifying the achievements of capital construction and exaggerating the newly acquired productive capacity. In reporting on price indices, the sales of high-priced commodities are reduced. In reporting on goods in stock, the figures are also reduced. Such practice leaves a big gap in the substance of statistics. Even the statistical indices that are already set up leave a lot of room for improvement, because they are biased toward the progress of production and total output, while statistics on economic effects and net output value do not receive due attention. They reflect more on production and construction, but little on people's material and cultural life; more on the quantitative changes in material objects, but little on the changes of value; and more on the conditions of ownership by the whole people, but little on the conditions of collective ownership and other economic categories. Thus no accurate statistical data can be produced to show a complete picture of the national economy. There are three points unclear to us in our present economic situation: First, we do not know how to use money more fruitfully. For example, how can we use our limited investments to achieve maximum economic results? How can we avoid waste and bad investments? Second, we do not know how to broaden the avenues of income. For example, how many such avenues are available to agriculture, industry, and commerce? What are the strong points and weaknesses of our country, localities, departments, and enterprises? Third, we do not know the seriousness of waste. For example, what kind of waste is there in capital construction, production, circulation, and imports? How serious is the waste? The unclear situation has brought about difficulties in guiding the readjustment and restructuring of the national economy.

There are many causes for our backward statistical work. Apart from the 10 years of turmoil which caused the abolition of statistics organizations, the disbanding of the statistics contingents, the destruction of the statistics system, and the loss of huge amounts of statistical data, there also are certain erroneous ideas about statistics. Here I will mention two of them.

First, the theory that "statistics are useless." For many years, the guiding ideology for economic construction has been a leftist one. The formulation of plans and the determination of targets were usually based on subjective will, regardless of objective conditions. Statistical data, rarely used as a criterion, were considered unnecessary. Some people held that statistical work was simply a matter of addition and subtraction or a kind of formality. Some people even publicly declared that they did not want to look at tables of statistics. Refusing to look at tables of statistics in leading economic work can be likened to refusing to study military maps when directing military operations. The outcome can only be blind commandism. National economy in modern production is quite complicated, and there must be various accurate statistical figures to present a complete view of macroeconomic activities. Therefore, in addition to tables of statistics, we need sampling, typical investigations, and special study to obtain comprehensive, systematic, and accurate statistical data.

Second, the "theory of leaving some leeway." Some people hold that in statistics, just like in planning, there should be some leeway. This is a confusion of planning with statistics. Planning is based on a forecast of future developments,

but statistics are a reflection of the actual situation in the form of figures. There should be some leeway in planning, so that the plans can be carried out in practice instead of being aborted or reduced to a passive position. Such problems do not exist in statistics, and consequently no leeway can be allowed. Permission to "leave some leeway" in statistics is tantamount to conniving at "deceptive tactics" or the falsification of reports, and giving a green light to fraudulent practices. Furthermore, some people have altered statistical figures at will, or have even attacked statistics personnel in revenge when these personnel exposed their fraudulent activities. All these practices have affected the genuine nature of statistical figures and prevented statistics from playing their proper role. Statistical work can serve as the sensory organs of hearing and seeing for the leading state organs only because it objectively reflects the real situation of the national economy. It neither exaggerates achievements nor conceals problems; in other words, "one should be reported as one and two should be reported as two." Only thus can it help the leading organizations to formulate policy decisions and adopt practical measures. Unrealistic figures in statistics not only are useless; they can also bring serious harm to the national economy.

How can we strengthen statistical work in our country? This question is now under study by the statistics departments, and this is the orientation of their concept: Proceeding from the real requirements of our national economic development and the actual situation of our economic restructuring, we should, in the ideological sphere, continue to wipe out leftist influences and uphold the principle of seeking truth from facts. In actual work, the statistics departments should actively conduct a comprehensive analysis of the national economy and carry out serious analytical research on all major problems in the development of the national economy, as well as some urgent problems in the present restructuring of the national economy. The statistics system and the techniques of computation should be reformed, with establishment of a well-balanced national economic system as its central task, and statistical data should be supplied to its central task, and statistical data should be supplied to leading organs at various levels and to various social sectors accurately, opportunely, and comprehensively. Full play should also be given to the role of statistics in examination and supervision, while organizationally the structure of statistics should be truly strengthened and adequately staffed in order that a centralized and powerful statistics system can be established to serve socialist modernization more effectively.

To bring this concept to realization, we should proceed in two different directions.

First, we should strengthen leadership over statistical work. For a long time in the past, the focus of work was not on economic construction, and statistical work naturally had no place in the leadership's day-to-day work. Now that economic work is being attended to by the leadership at various levels, statistical work should receive greater attention and support. According to information from various localities, it is generally agreed that although the present workload in statistics nearly doubles that of the "Great Cultural Revolution," the number of personnel has been reduced 25 percent. The statistical force is even weaker at the basic levels, and the contradiction between the committed task and the available manpower is quite obvious. Therefore, we should continue to carry out the relevant resolutions adopted by the State Council in 1979, strengthen statistical work and the statistics rank, and help solve the problems, which the statistics departments cannot solve by themselves, by providing more active leadership ideologically, organizationally, and technically. Such work has already begun in some

localities and departments, and the enthusiasm of the statistics personnel has been aroused. Statistical work now has a promising future. Thanks to the full use of various statistical data in guiding national economic readjustment and restructuring, economic work has improved. At present, such instances are still rare in the country as a whole, and we hope to see more of them in the future.

Secondly, statistics departments should strengthen themselves by setting up a scientific and complete statistics system. Therefore, it is necessary to improve the statistics structure, readjust the background composition of statistics cadres, intensify the training of cadres, conduct active scientific research and education in statistics, formulate statistics laws, and so forth. To accomplish these tasks, it is particularly necessary to strengthen ideological building among the statistics departments. The vast majority of comrades in the statistics ranks warmly love their work, are hard working, and have a keen sense of responsibility. For various reasons, however, some of them have certain ideological problems. There are now these popular sayings: "The work of planning is fragrant; the work of controlling materials is sweet; people in charge of pricing are hated; and statistics personnel have a hard time begging others for help." Again, "Planners shake their head; accountants nod; and statisticians prostrate themselves on the ground to beg." This shows how difficult it is for statistics personnel to obtain reports with figures from others. It also reflects a certain degree of pessimism and fear on the part of these personnel. These shortcomings must be overcome. We should take pride in doing a good statistical job, which is indispensable as long as there is economic work. There is a bright future for statistics, and we should feel highly honored to be associated with it in contributing to the success of national economic readjustment and restructuring.

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## ECONOMIC PLANNING

### TIANJIN THEORISTS, PRACTICAL WORKERS HOLD READJUSTMENT POLICY DISCUSSIONS

Beijing GUANGMING RIBAO in Chinese 13 Jan 80 p 1

[Article by Wang Lihua [3769 5461 5478]: "Developing Research in Economics Centering on the Implementation of the Policy of Readjustment"]

[Text] Our correspondent Wang Lihua reports: Theoretical and practical workers in economics circles in Tianjin Municipality have united closely to do in-depth investigation and research and develop academic discussions centering on the new conditions and new problems which have appeared on the Tianjin economic front in the course of carrying out the eight-character policy which is centered on readjustment. They have actively raised opinions and suggestions and have made felicitous accomplishments.

The joining of theoretical workers and practical workers has given unprecedented vitality to academic discussions in economic circles in Tianjin Municipality. In 1980, the Tianjin Municipal Philosophy and Social Sciences Societies Federation and the Tianjin Municipal Enterprise Management Association organized over 10 municipal academic discussion activities on economic questions, where nearly 100 papers were presented. The academic discussion activities were multifaceted, involving topics such as the economic core, joint economic bodies, expanding the enterprise right of self-determination, the goal of production, economic results, regulation by plan and by market, the price system, economic accounting, comprehensive quality management, international trade and the world economy.

The main method for uniting Tianjin Municipality's theoretical and practical workers in economics circles has been to do in-depth practical investigation and research and to write papers on the basis of having doped out the actual situation. In the past, many theoretical economics workers in Tianjin Municipality were handicapped in considering actual conditions. In particular, they understood relatively little about some types of specific data, and therefore had some difficulty in doing in-depth research on socialist economic theory. Nowadays they go in person with the practical workers to the front line to carry out observations and grasp first-hand data. This has forcefully promoted the development of theoretical work and has enabled economic theory to come to play an active role in directing and promoting

practical work. The Tianjin Municipal Enterprise Management Association organized some experts, professors and scholars from Nankai University, Tianjin University, the Tianjin Finance College and the Economic Research Institute of the Tianjin Academy of Social Sciences to participate in pilot projects in expanding the enterprise right of self-determination in four industrial companies and, from the reality of the "points," to point out problems that need to be solved on the "surface." Because they had gained a deeper understanding of the practical problems of forming enterprise-type companies in Tianjin Municipality through their participation in the pilot project work, comrades of the Economic Research Institute of the Tianjin Finance College wrote "An Exploration into an Important Problem in Developing Economic Combines--a Preliminary Investigation into the Trial Operation of Enterprise-Type Companies in Tianjin." Aiming at the varied conditions of relative centralization and cooperation with specialization in Tianjin's industry, they generalized the establishment of enterprise-type companies into five main models. After carrying out investigation and study last year, comrades of the Economic Research Institute of the Tianjin Academy of Social Sciences wrote 10 investigative reports on special topics in Tianjin such as collectively owned industry, the development of population over the past 30 years, water sources and navigation on the Hai River system, neighborhood commercial and service activities, the supply of fresh hen eggs, the implementation of an intrafactory economic accounting system in industrial enterprises, opening up markets for agricultural and sideline products in municipal districts, and economic conditions of fishery. The discussions in these reports combine theory and practice, and include the state of affairs, analysis and suggestions. They have played an active role in improving and strengthening economic work.

The joining of theoretical and practical workers is beneficial to the raising of the theoretical level of the practical workers. To date, about one-fourth of the professional cadres in the municipality's industrial enterprises, assisted by theoretical workers, have been trained in economic theory and enterprise management.

The powerful support of the Tianjin Municipal CCP Committee and the municipal government has greatly stimulated the enthusiasm of theoretical workers for concerning themselves with all types of economic work. They have actively expressed their opinions and raised suggestions on major issues such as drawing up a long-range plan for Tianjin Municipality, determining a program for readjusting the national economy in Tianjin Municipality and summing up 30 years of economic development experience in Tianjin Municipality.

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## FINANCE AND BANKING

### CONSTRUCTION BANK WATCHDOGS BUILDING CUTBACKS

Beijing BEIJING RIBAO in Chinese 5 Jan 81 p 1

[Article by Dong Xun [5516 6598]: "Sparing the State Over 40 Million Yuan in Investment"]

[Text] Since last year, the East No 4 Branch of the Construction Bank in Beijing has carried out a checkup on construction items in concert with the various construction units and discovered 56 items which are unqualified, duplicative or blind construction, and immediately proposed that their construction be ceased or slowed down. At present, 51 of these proposals have been accepted, allowing the state to save 43.46 million yuan in investment.

In their checkup on items under construction, they paid attention to promoting specialized cooperation, reducing duplicate construction. One machinery plant planned to build electroplating and painting shops and an iron casting section. After carrying out an investigation and study, the East No 4 Branch discovered that this plant's needs could be completely satisfied through specialized cooperation i.. the municipality. It immediately proposed cutting out these three items. After the construction units and the departments in charge had studied it, this proposal was accepted. Construction area can be reduced by 3,305 square meters, saving 1.66 million yuan in investment.

They also paid attention to promoting the joint construction of boiler plants, saving energy and funds. In order to implement the four article proposal of the Secretariat of the Central Committee to build Beijing Municipality into a wonderful, clean and modern city, this bank, with the support of the municipal construction committee and departments in long-range planning and the like, has impelled 26 units to break out of the "small and complete" way of doing things and build jointly four boiler plants for centralized heating. Once this proposal is completely carried out, it can spare the construction of 16 boiler plants and chimneys, save 1850 square meters of construction area, save 470,000 yuan in investment and play a certain role in areas such as energy conservation and reducing the city's sources of pollution.

They also paid attention to investigating the production, supply and sales conditions of newly built enterprises, to avoid blind construction. In order to solve the problem of highly pure gas needed in its production, one

factory planned to spend over 4 million yuan in investment to build a power plant. After this branch carried out an investigation, it discovered that the municipality had already determined to have a unified supply from plants that specialize in producing gas, and that the quality could satisfy the factory's production needs. They proposed to the relevant sides that construction stop on this factory's power plant project. After repeated studies, it has now been decided to stop construction on this project.

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## FINANCE AND BANKING

### BRIEFS

**JIANGXI URBAN SAVINGS**--Jiangxi Province's urban savings were greatly increased in 1980. According to statistics, the province's urban savings by the end of last year amounted to 552.24 million yuan; an increase of 187.77 million yuan, or 51 percent, over 1979. The average savings of each worker increased by 84.2 yuan and taking the entire population into account, the average savings of each person amounted to 118 yuan. [Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 7 Jan 81]

**HENAN RURAL LOANS**--Henan Province's rural credit cooperatives increased loans, savings and recovered overdrafts by 40 to 60 percent in 1980. Income of peasants in the rural areas increased with the increase in production, and forestry, animal husbandry, sideline production and fishery were well developed. By the end of 1980, the total amount of rural savings was 1.5 billion yuan, showing an increase of 51 percent over 1979. Loans given by the credit cooperatives in 1980 amounted to 1.22 billion yuan, showing an increase of 68 percent over 1979. [Zhengzhou Henan Provincial Service in Mandarin 1100 GMT 21 Jan 81]

**SHANXI FINANCE MEETING**--A recent Shanxi provincial conference on finance work stressed resolutely implementing the readjustment principle, strictly observing financial discipline, and making new contributions to balancing the province's budget and stabilizing prices. The participants pledged to work hard to reduce expenditures and increase revenues so as to help the country tide over its difficulties. Last year the province overfulfilled its revenue plan by 0.14 percent, with an increase of 3.4 percent over 1979. Expenditures amounted to only some 81 percent of the budget. The province balanced its budget. The meeting called on finance departments to make great efforts to fulfill this year's plans, increase revenues and economize on expenditures and resolutely curb indiscriminate payment of bonuses. [Taiyuan Shanxi Provincial Service in Mandarin 1100 GMT 5 Feb 81]

**SICHUAN PEOPLE'S BANK LOANS**--People's banks at all levels throughout Sichuan Province have been doing well in supporting the readjustment of the national economy by means of giving credits and loans. The banks have been strengthening work over such activities as: 1) reporting the situations of enterprises to the leaders and proposing readjustment when enterprises were suffering continuous losses; 2) determinedly stopping the giving of credits and loans to enterprises which should be closed down in order to prevent further losses; 3) making sure they receive repayment of loans and the return of credits as soon as enterprises stopped production to prevent losses; and 4) taking into consideration the financial

difficulties of enterprises which have shifted to other production areas by allowing them time before requesting the repayment of loans and return of credits. [Chengdu Sichuan Provincial Service in Mandarin 1100 GMT 10 Feb 81]

**SICHUAN FINANCIAL ECONOMIC DISCIPLINE**--The Sichuan Provincial People's Government and the supply and marketing departments and financial departments at provincial level organized 12 work teams to inspect the situation of financial discipline in Sichuan Province on 12 February. The teams will carry out inspections in Chengdu, Chongqing, Zikong and Dukou municipalities and Wenjiang, Mianyang, Nanchong, Neijiang, Jiangjin, Yibin, Leshan and Danian prefectures. The inspection teams will help in the implementation of the eight decisions of the State Council to balance financial revenue and expenditure and find appropriate measures to fulfill the yearly quota. The Provincial People's Government demands that all prefectures and municipalities further rectify financial and economic discipline and curb any violations of discipline. He Haoju, vice provincial governor, held a mobilization meeting with the teams. [HK230840 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 10 Feb 81]

**CHINA ENTERPRISE INSURANCE**--Beijing, 19 Feb (Xinhua)--The Tanshan Petrochemical General Company, one of China's large-scale petrochemical enterprises, recently joined the enterprises' financial insurance at the China People's Insurance Company. So far, it is the largest enterprise ever taken part in financial insurance in China's insurance history. [OW202055 Beijing Xinhua Domestic Service in Chinese 1250 GMT 19 Feb 81]

**YUNNAN GOVERNMENT CIRCULAR**--The Yunnan Provincial People's Government issued a circular on 15 January on strengthening market management and dealing with speculation in accordance with the State Council's instructions. The circular said: the provincial people's government has decided to hold a meeting with department concerned after the Spring Festival to study the State Council's instructions on industrial and commercial management. [HK281452 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 21 Jan 81 HK]

**GANSU PREFECTURE REVENUE**--Wuwei Prefecture, Gansu Province, overfulfilled its 1980 revenue plan by 6.46 million yuan. [SK071009 Lanzhou Gansu Provincial Service in Mandarin 1125 GMT 6 Feb 81 SK]

**GANSU SAVINGS TASKS**--Gansu Province has overfulfilled its urban and suburban savings tasks for 1980 by 1.35 times. Recently, the Gansu provincial branch of the People's Bank of China held a spring savings meeting attended by more than 300 people, including responsible persons of the provincial party, government and army units and noted personages from various circles. The participants in the meeting stressed that it is necessary to vigorously conduct savings business, positively increase the number of savings networks, establish more different methods of savings, improve the related services, expand popularization and utilize idle funds in the society more efficiently in order to contribute greater strength to the four modernizations. [OW090147 Beijing Domestic Service in Mandarin 1000 GMT 8 Feb 81 OW]

1980 TAXES UP--Beijing, 4 Feb (XINHUA)--China collected 4.5 percent more taxes from industrial and commercial enterprises and salt tax than originally planned for 1980, the General Taxation Bureau of the Ministry of Finance announced here today. Taxes account for more than half of China's annual revenues. Most of the provinces, autonomous regions and the Beijing, Tianjin and Shanghai municipalities overfulfilled their tax collection quotas last year. [Text] [Beijing XINHUA in English 1203 GMT 3 Feb 81 OW]

TIANJIN SAVINGS DEPOSITS--Tianjin Municipality overfulfilled its 1980 state-assigned savings deposit plan by 130 million yuan, or 13.4 percent. By the end of 1980 the total of state planned savings deposits was 3.46 billion yuan, 3 percent more than 1979. The savings deposits of people in urban areas and savings deposits of enterprises was 35 and 9 percent, respectively, over total for 1979. In 1980 Tianjin issued 1.54 billion yuan in loans for producing badly needed light industrial and textile products. The figure was 20 percent more than in 1979. Tianjin Municipality also fulfilled its 1980 credit plan and overfulfilled by 10 percent its plan for withdrawing currency. [SK021342 Tianjin City Service in Mandarin 2330 GMT 29 Jan 81 SK]

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## GUANGDONG INDUSTRIES IMPROVE ENERGY UTILIZATION THROUGH HEAT BALANCING

Guangzhou NANFANG RIBAO in Chinese 22 Dec 80 p 1

[Article by Rong Biao [1369 2871], Shu Xuan [2885 5503] and Reporter(s) for This Newspaper: "Some Enterprises in Our Province Develop Heat Balancing Work"]

[Text] Developing heat balancing work is an important measure in raising the effective utilization rate of energy. Currently China's effective energy utilization rate is still very low. It is our understanding that that rate is 50 percent in the United States and Western Europe and 56 percent in Japan, but only 30 percent in China. This makes it clear that our potential for saving energy is still quite large. According to the statistics of the relevant departments, if our province's industrial and mining enterprises raise the energy utilization rate by 1 percent, the province could save over 500,000 metric tons of coal, equivalent to the annual output of one of Guangdong's medium-scale coal mines. But if we were to build that kind of coal mine, it would require 50 to 60 million yuan and would take 4 or 5 years. Therefore, developing enterprise heat balancing work is not just something a few people dreamed up which we can take or leave.

This year, Guangdong's industrial and mining enterprises in metallurgy, petrochemicals, textiles, nitrogen fertilizer, paper, sugar refinery, plastics and so on have actively developed their work in heat balancing. They have already obtained some success in saving energy.

Enterprise heat balance is the balance between an enterprise's input of energy and the effectively utilized amount of energy and various items of losses. Developing heat balancing work requires an investigation of the utilization and losses of an enterprise's heat energy and the adoption of measures to reduce heat energy losses in order to save energy.

For the past year, to promote enterprise heat balancing, the relevant departments of all parts of Guangdong held 27 successive heat balancing study classes, attended by over 1,400 factory directors, technicians and management cadres. Through their studies, each one increased his or her knowledge of the importance of heat balancing work. For example, the Guangzhou No 1 Rubber Plant determined that its utilization rate of heat energy was only 12 percent (that is to say, out of 100 tons of coal, they only utilized 12 tons). The plant director said with great feeling that in the past when we lacked coal or oil we only knew to make demands on higher levels, not to raise the effective utilization rate of heat energy sources. It really is impossible to modernize an enterprise if you do not understand scientific management.

Through their development of enterprise heat balancing work, many enterprises have basically gotten a handle on the effective energy utilization conditions of their main equipment and searched out the causes of energy loss, and then actively adopted measures to make improvements. For example, by determining an enterprise heat balance, the Jiangmen Glycerin Chemical Plant [3068 7024 3927 0553 1681] adopted 12 measures for saving energy and carried out 41 improvements on antiquated or backward equipment. The heat energy utilization rate for the plant has reached 53.55 percent. The first half of this year over 17,000 metric tons of standard coal were saved. When it carried out a heat balance determination, the Foshan Paper Mill found out that the mill's heat energy utilization rate was only 28.6 percent. They immediately redid things and have now raised the heat energy utilization rate to 33.24 percent, saving over 400 metric tons of coal so far this year.

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PRC COAL MINES TO TAP POTENTIAL, INNOVATE, TRANSFORM

OW020812 Beijing XINHUA Domestic Service in Chinese 0225 GMT 2 Mar 81

[Text] Beijing, 2 Mar (Xinhua)--To correctly handle existing coal pits according to the characteristics of coal mines, tapping their potentials, introducing innovations and making transformations--this still is an important principle for future development of the coal industry. This is the conclusion reached by the leading party group of the Ministry of Coal Industry in studying the guidelines of the working conference of the Party Central Committee and summing up past work experience and lessons.

It was proposed in 1974 to tap the potential of, innovate and transform the existing coal mines. At that time, the "gang of four" were running amuck, the national economy was seriously damaged and there was a critical shortage in coal supplies, not only adversely affecting industrial and agricultural production, but threatening the people's livelihood. To produce more coal to meet the most basic need of the state and the people, the masses of workers and staff members of the coal industry throughout the country resisted the "gang of four's" interference and sabotage, supported the national economy on the brink of collapse and decided to tap the potentials of old mines and innovate and transform them. Practice of 6 years has proved that by implementing this principle, many coal mines indeed have succeeded in showing quick results with less investment. Most of the old mines, which have tapped potentials, introduced innovations and carried out transformations, have stabilized and increased their production capacities, improved production conditions and become the main force for increasing coal production the past few years. According to statistics, the output of all coal mines whose products are distributed under the unified state plan in China in 1979 was 77.82 million tons over that in 1975. Among them, 214 coal pits of the Kailuan, Datong, Yangquan, Xishan and Yima coal mines, after tapping potentials and introducing innovations and transformations, increased their output by 46.03 million tons, accounting for 59 percent of the overall increase. This year, owing to the need to readjust the coal mines, the planned output of the coal mines whose products are distributed under the unified state plan is slightly lower than last year's actual output, but the output of coal pits where potentials have been tapped and innovations and transformation introduced still will be higher than in the past year. These coal pits will continue to play their role in stabilizing coal production of the whole country in the years to come.

In the past, because the leadership of the Ministry of Coal Industry was influenced by "left" ideas, mistakes and shortcomings also were made in implementing the principle of tapping potentials, introducing innovations and carrying out transformations. For example, the plans laid down were too ambitious; production targets were set too high; mines were called upon indiscriminately to double and redouble output; some mines increased output on a crash basis before the completion of engineering work, resulting in imbalances between extraction and excavation; a few mines without much potential, even exhausted old mines, were also included in plans to tap potentials and introduce innovations and transformations, and funds were wasted without producing the expected results.

The leading party group of the Ministry of Coal Industry holds that past shortcomings and mistakes should be summed up and efforts should be made to correct them. From now on, the existing coal pits should be given different guidances. Coal mines that have the necessary conditions still should tap their potentials, introduce innovations and make transformations. In planning projects to tap potentials, introduce innovations and make transformations, it is imperative to proceed from the characteristics of each coal mine and follow the laws governing coal production. Efforts should be concentrated first on coal pits with better conditions for better economic results.

The leading party group of the Ministry of Coal Industry proposes: coal pits originally designed on a small scale but having the conditions for expansion--abundant coal deposits, good geological and geographical conditions and so forth--should be expanded in a well-planned way; coal pits with abundant reserves, whose production capacities cannot be brought to normal levels due to lack of equipment in some of the production links, should be strengthened in equipment to stabilize production capacities; the clusters of small pits developed in the past, where the shallow coal seams are nearly mined out, should develop into deeper seams and also carry out suitable innovations. Moreover, innovations and transformations, which are introduced for popularizing advanced techniques, technology and equipment, improving safety conditions, increasing the recovery rate, improving labor conditions, raising labor productivity, keeping the present production levels and so forth, should be continued so that the coal pits can develop toward the direction of modernization step by step.

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## ENERGY

### BRIEFS

**SHANXI 1980 COAL PRODUCTION**--In 1980 Shanxi Province shipped some 13 million tons of coal to other provinces where coal production was not as abundant. In addition to this, Shanxi Province also exported some 2 million tons of coal overseas. Shanxi Province produced some 116.8 million tons of coal, overfulfilling the year's production quotas by 12.8 million tons. [HK070835 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 21 Jan 81]

**YUNNAN ENERGY CONSERVATION**--According to a YUNNAN RIBAO report, Yunnan Province did well in energy conservation in 1980, lowering the rate of energy consumption by 9 percent over that of 1979. People's governments at all levels throughout the province have been attaching great importance to energy conservation since 1979 and have obtained good results. In order to do a better job of energy conservation, the provincial economics committee and planning committee recently held a work conference to sum up work experiences in the past year. The conference demanded that all areas promote technological innovation and skills by focusing on energy conservation and conducting training classes for personnel concerned. [Kunming Yunnan Provincial Service in Mandarin 1100 GMT 9 Feb 81]

**SICHUAN COAL CONFERENCE**--The Sichuan Provincial People's Government held a telephone conference on coal production on 14 February. The conference aimed at increasing coal production to promote the people's livelihood. He Haoju, secretary of the Provincial CCP Committee and provincial governor, presided over the conference and Meng Dongbo, provincial vice governor, delivered a speech. The conference held: The overall situation of coal production has been good in the province, however, we still can do better in promoting coal production. We must strengthen leadership over coal production and ensure production safety in the mines. The conference demanded that: 1) all units concerned implement the spirit of the CCP Central Committee's work conference, organize the masses to solve actual problems in accordance with the local conditions to carry out readjustment and promote production; 2) all units strengthen leadership over coal production and transportation; 3) all units adopt measures to support and increase coal production; and 4) all trades and departments concerned must work closely with coal production. [Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 15 Feb 81]

RURAL ELECTRICITY CONSUMPTION--After certain readjustments, the electric power industry has undergone great development in the countryside. In 1980, the consumption of electricity in the countryside reached 37 billion units, an increase of 13.8 percent over 1979. This was the biggest increase since the founding of the People's Republic. The countryside is now one of the biggest consumers of electricity in the country, including all trades and professions. If the volume of electricity used by county-run industries for the direct support of agricultural production is taken into account, rural consumption will account for approximately one quarter of the nationwide consumption. There were 400 counties with an annual consumption of more than 50 million units; more than 100 of these counties consumed more than 100 million units each. [Text] [Harbin HEILONGJIANG RIBAO in Chinese 31 Dec 80 p 4] 9411

LIAONING PETROCHEMICAL INVESTMENT--The Anshan Municipal Petrochemical Bureau, Liaoning Province, in implementing the principle of readjusting the national economy, has made great efforts to engage in technical innovation and renovation and in tapping the latent power of enterprises now available instead of in curtailing new and expanding construction projects, thus, spending more than 8.9 million yuan of its original 10-million-yuan investment budget in this regard. [Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 10 Feb 81 SK]

SHAANXI TRANSMISSION PROJECT--According to a SHAANXI RIBAO report, the 330-kilovolt transmission project from Hancheng to Dali county has been completed and put into operation on 25 December 1980. The main purpose of this project is to supply electricity for irrigation in the areas concerned. [Xian Shaanxi Provincial Service in Mandarin 1100 GMT 6 Jan 81]

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## INDUSTRY

### PRC PRODUCES NEW METALLURGICAL MATERIALS

OW140828 Beijing XINHUA in English 0809 GMT 14 Feb 81

[Text] Beijing, February 14 (Xinhua)--Last year, the research institutes and enterprises under the Chinese Ministry of Metallurgy produced 5,300 new alloys and other materials and made more than 100 scientific advances which have been applied to production.

The new materials include ultra-low carbon iron sheets for high-energy accelerators and a new kind of stainless steel sheet for the water turbogenerators to be installed at the Gezhouba hydro-electric power station now under construction on the Yangtze River.

The Wuyang Iron and Steel Company in Henan Province has filled a gap in China's alloy steel industry by producing broad alloy steel sheets, 3.2 meters wide and 32 millimeters thick, for ship-building.

The Shanghai Iron and Steel Research Institute produced barium-aluminium alloy devices which remove residual gas from the vacuum of black-and-white TV tubes, known as getters, which are up to the standard of the same product in other countries. The getter has raised the quality and prolonged the service life of TV sets. The institute now can produce enough for use on one million TV sets a year. The institute also invented a new processing method, the first in China, for manufacturing a belt-like component made of two metals which is used in color TV tubes.

The Iron and Steel Research Institute of Beijing produced a new material for use in small electric motors and transformers known as an amorphous thin ribbon. It helps boost power and lower electricity consumption. The institute also produced a high-temperature alloy for use in diesel engine turbines which help lower oil consumption, raise the horsepower of the engines and reduce pollution.

An especially strong magnet made of niobium 3 tin (Nb3Sn) superconductive materials was produced by the Changsha Institute of Mining and Metallurgy. Its magnetic strength is more than 20 percent greater than that of previous magnets.

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## INDUSTRY

### BRIEFS

**JIANGXI TEXTILE INDUSTRY**--The Jiangxi Provincial CYL, provincial CCP committee and provincial textile bureau jointly conducted a textile work competition from 13 to 17 January in order to promote skills and speed of textile production. The Jiangxi Provincial CYL and textile bureau recently held a rally in Nanchang to commend advanced units, and some 135 advanced individuals were awarded citations. [Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 23 Jan 81 HK]

**HENAN INDUSTRIAL PRODUCTION**--Industrial and communications production rapidly progressed in Henan Province in 1980. The total industrial output was increased by 8.2 percent over 1979, setting a new record. According to statistics, production of 54 out of 73 principal industrial products has been overfulfilled. Some 1,644 new varieties of light industrial products have been produced. The province's energy consumption was lowered by 6 percent over 1979. From January to November 1980, profits of local enterprises were increased by 31 percent over 1979, profits submitted to the state increased by 7.8 percent, and losses were reduced by 41.4 percent. The proportion of light industrial production accounted for 50.9 percent of the total industrial production in 1980 whereas it accounted for only 46.9 percent in 1979. [Zhengzhou Henan Provincial Service in Mandarin 1100 GMT 7 Jan 81 HK]

**XINJIANG ENTERPRISES CUT LOSSES**--Industrial enterprises in Xinjiang, long plagued by deficit operation, took a turn for the better last year. Total losses throughout 1980 decreased 25 percent, meeting the state target. Enterprises directly under the industrial bureaus registered losses which were 11.3 million yuan less than in 1979, 9 percent over the target set by the state. In 1980 Xinjiang closed, suspended, merged or converted over 50 industrial enterprises which were big energy consumers and were operated at high cost and serious loss. [Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 23 Feb 81 OW]

**HUNAN INDUSTRIAL, COMMUNICATION PRODUCTION**--The Hunan provincial industrial and communication fronts fulfilled production quotas in 1980. The total industrial production value in 1980 amounted to 16,538,640,000 yuan, representing 103.3 percent of the year's quota and showing an increase of 8 percent over 1979. Local state-run industrial enterprises also fulfilled the year's

profit plans 1 month ahead of schedule. In 1980, the CCP Central Committee and local committees allocated some 220 million yuan to light industrial enterprises as capital for tapping potential and making renovations and reforms. The total production value of light industry in Hunan Province in 1980 increased by 18 percent over 1979. However, heavy industry's total production value increased by only 1.7 percent. Provincial light and textile industries accumulated 400 million yuan for the state in 1980. [HK070748 Changsha Hunan Provincial Service in Mandarin 1100 GMT 7 Jan 81 HK]

TEXTILE INDUSTRY CONFERENCE--Beijing, 23 Feb (XINHUA)--A national conference of directors of textile industry bureaus was held in Beijing from 13 to 23 February. It was decided at the conference that bureaus should make efforts to achieve a growth rate of 8 percent or more in China's light and textile industrial output this year. In addition, the conference urged light and textile industrial departments to produce high-quality but inexpensive textile products for domestic consumption and export. The conference said that China's textile industry should reduce the scale of its capital construction this year and concentrate on projects that will bring quick economic results. Because of curtailment in capital construction, all textile enterprises should tap production potentials by carrying out technical innovations and improving management, the conference stressed. [Beijing XINHUA Domestic Service in Chinese 0734 GMT 23 Feb 81 OW]

XINJIANG LIGHT INDUSTRY--To eliminate its stockpile of products, the Second Light Industry Department of Xinjiang Uygur Autonomous Region has actively promoted direct sales. According to incomplete statistics, some 227 marketing centers were revived or established by the department in 1980. [Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 25 Jan 81 OW]

YUNNAN ELECTRONIC PRODUCTION--Yunnan Province's electronics system overfulfilled 1980 production plans by 25 percent, showing an increase of 29.9 percent over 1979. Profits for the system amounted to some 500,000 yuan. Production of electronic products has been greatly increased since the provincial electronics bureau readjustment in production orientation and methods of products was also improved, and greater exportation was promoted. [HK281452 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 7 Jan 81]

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## CONSTRUCTION

### BRIEFS

**CAPITAL CONSTRUCTION PROJECTS**--Beijing, 21 Feb (XINHUA)--According to the State Capital Construction Commission, China completed 60 large and medium-size capital construction projects and 183 other projects last year. In the energy sector, the completion of 10 large and medium-size projects and 75 other projects has increased China's coal mining capability by 2.9 million dun and power generating capability by 2.48 million kwh. Light industrial projects put into operation last year included a paper mill, a photosensitive chemical plant, several sugar refineries and a salt mine. With the completion of two cement plants in Hunan and Shanghai last year, China was able to increase its cement output by 1.5 million dun. Last year China also completed building 910 km of railways and new ports capable of handling 6.82 million dun of traffic. [Beijing XINHUA Domestic Service in Chinese 0723 GMT 21 Feb 81 OW]

**GUANGXI RURAL HOUSING**--The Guangxi Regional People's Government held a conference on rural house construction from 22 to 26 January. The meeting conveyed the instructions of responsible comrades of the Central Committee and State Council and the spirit of the national conference on rural housing. Zhou Guangchun and Xiao Han, secretaries of the regional CCP committee and vice chairmen of the regional people's government, attended the meeting. The participants pointed out that generally speaking rural housing conditions in Guangxi are still rather poor and in some places there is a housing shortage. Party committees and people's government, especially at the county level, must put house construction on their agenda and get a good grasp of it. It is necessary to make all-round plans and provide correct guidance. [Nanning Guangxi Regional Service in Mandarin 1130 GMT 28 Jan 81 HK]

**HENAN ON CAPITAL CONSTRUCTION**--The Henan station carried a station contributing commentator's article on 7 January which was entitled "We Must Implement to a Greater Extent the Principles of Readjusting the National Economy and Resolutely Reduce the Scale of Capital Construction." Since our province has implemented the eight-character principle on readjusting the national economy, we have suspended and delayed 286 projects which were expected to cost more than 50,000 yuan and 116 projects which were expected to cost more than 80,000 yuan, reducing our investment by 1.1 billion yuan. However, the scale of capital construction is still overextended. According to statistics compiled at the end of November 1980, the province's total investment construction capital amounted to 2.095 billion yuan, showing an increase of 45 million yuan over 1979. The reason for this is that many of the comrades are still under the influence of ultraleftist ideology and possess inadequate understanding of the current situation. Thus, it is necessary to understand that readjustment is of utmost significance in promoting the national economy. [Zhengzhou Henan Provincial Service in Mandarin 1100 GMT 7 Jan 81 HK]

BEIJING HOUSING DESIGN CONTEST--Beijing, 2 Feb (XINHUA)--A group of teachers from Qinghua University, famous for its department of architecture, won the first prize at a recent contest of small housing estate designs in the Chinese capital. The new design was immediately adopted by the City Developing Company to build a small housing estate in the northern suburbs. The first prize winning design consists of four groups of buildings, linked by a 40 meter wide green belt. Apart from living quarters, there are nurseries, kindergartens, primary and middle schools, recreational centres, children's play grounds and shopping centres. The contest was jointly sponsored by the Beijing Municipal Capital Construction Committee and the Beijing Civil Engineering Society to avoid a monotonous tone in earlier designs and encourage competition of new ideas. Tao Yizhong, adviser to the 11-member assessment committee and chief engineer of the designing bureau under the State Administration of Building Construction, said the contest showed "a breakthrough," "with a fresh sense of practicability, economy and beautiful lines as well." [Beijing XINHUA in English 1238 GMT 2 Feb 81]

URBAN RESIDENTIAL HOUSING--In the first 11 months of 1980, more than 40 million square meters of floorspace were completed in urban industrial and mining areas throughout the country. This is an increase of 39 percent over the same period in 1979. Since the beginning of December, according to a statement of the department in charge, many cities throughout the country have concentrated their resources on winding up their house construction projects or in carrying out auxiliary jobs so as to further increase the area of completed buildings and to set a new record. The total area of more than 60 million square meters of newly built urban residential houses is the highest record since the founding of the People's Republic. [Text] [Harbin HEILONGJIANG RIBAO in Chinese 31 Dec 80 p 4] 9411

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## DOMESTIC TRADE

### BRIEFS

**HUNAN TRADING WAREHOUSES**--Supply and marketing cooperatives at and above the county level in Hunan Province set up some 130 trading warehouses in various localities during 1980. These warehouses serve at the same time as storehouses and trading and processing centers. The total amount of business carried out was valued at about 100 million yuan. These trading warehouses mainly promote trade of agricultural products among provinces and play an important role in speeding up the circulation of commodities. Market supply has been ensured since the establishment of these trading warehouses. [HK070748 Changsha Hunan Provincial Service in Mandarin 2315 GMT 8 Jan 81]

**JILIN MARKET DEVELOPMENT**--Jilin Province has scored remarkable achievements in developing markets in urban and rural areas. By the end of 1980, there were 473 markets of agricultural commodities in urban and rural areas throughout the province. The industrial and commercial administrative department at all levels construct market roof structures on 26,500 square meters of floor space and set up sales counters 11,700 meters long. Some 144 markets across the province are fully equipped with roof structures, sales counters and other service facilities. [SK021042 Changchun Jilin Provincial Service in Mandarin 1100 GMT 28 Feb 81]

**QINGHAI MARKET CONTROLS**--The Qinghai Provincial People's Government recently issued a circular calling for implementing the State Council's directive on strengthening market controls and cracking down on speculation, profiteering and smuggling. The circular stipulates that no unit or individual be allowed to resell at a profit category one farm products including grains, cotton and oil-bearing crops and category one and two manufactured daily necessities. Rural communes and collectives may sell surplus category two and three farm, sideline and livestock products after having fulfilled the state procurement tasks and negotiated procurement contracts. [Xining Qinghai Provincial Service in Mandarin 2330 GMT 1 Mar 81]

**RURAL MARKETS' STABLE PRICES**--Beijing, February 8 (XINHUA)--With a remarkable increase in the supply of farm and sideline products, brisk business and stable prices featured China's 37,000 rural markets over the country last year. According to statistics from surveys at 206 rural markets under the supervision of the General Administrative Bureau for Industry and Commerce, the total value of farm and sideline products sold in 1980 reached 574.46 million yuan, an increase of 37.4 percent over 1979. Prices for an increasing variety of farm and sideline products generally remained stable, though grain output dropped in some areas due to last year's adverse weather conditions. Compared with 1979, the prices at rural markets had dropped 1.6 percent by September last year and 1.8 percent by December. Prices have fallen for such major items as rice, wheat, corn, edible oils, pork, cabbage and piglets. Only the prices for tobacco and eggs have risen a little. [Beijing XINHUA in English 0708 GMT 8 Feb 81 OW]

**SICHUAN MARKET CONTROLS**--The Sichuan Provincial People's Government recently issued a circular on seriously implementing the State Council's instructions on strengthening market controls and hitting at speculation and smuggling. The circular made the following demands that government at all levels must: 1) organize study and publicity of the State Council's instruction to ensure that the masses know which economic activities are proper and which are illegal; 2) deal resolute blows at speculation and smuggling of all types; 3) tidy up order in the markets, especially in Chengdu and Chongqing municipalities and in county seats located along transport routes, and ban all black marketeering; 4) pay attention to policies and do a good job of investigation and study in hitting at speculation and smuggling; 5) strengthen leadership over the work. [HK070824 Chengdu Sichuan Provincial Service in Mandarin 1100 GMT 30 Jan 81 HK]

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## FOREIGN TRADE

### BRIEFS

**OIL TALKS WITH JAPAN--Beijing Feb 20 KYODO**—Negotiations were started here Thursday on Japan's import of Chinese crude oil in 1981. The talks were started between negotiators of International Oil Trading Co. of Japan and China's National Chemicals Import and Export Corporation. Similar talks will be started Friday between the Chinese Crude Oil Import Council of Japan and the Chinese corporation. International Oil Trading and the Chinese Crude Oil Import Council are engaged in import of oil from China. China informed the Japanese side last autumn that its crude export volume to Japan this year will be cut to 8,300,000 tons. Quarters concerned are showing interest on whether China will reveal a further cut in exports to Japan amid reports that country is drastically reducing crude output. An official of International Oil Trading said the Chinese side did not indicate at Thursday's meeting that it planned to further reduce exports to Japan. [Text] [OW200027 Tokyo KYODO in English 0006 GMT 20 Feb 81]

**JIANGSU PROJECTS CORPORATION--Nanjing, January 23 (XINHUA)**--Jiangsu Province in east China has set up a corporation to contract for development projects overseas. The new organization, called the Jiangsu International Economic and Technics' Cooperation Corporation, will specialize in industrial, communications, agricultural and water conservancy projects. It will also build hospitals, schools, sports stadiums and business premises. The corporation said in a statement this week it is ready to cooperate with overseas businessmen and international companies and can undertake all work from surveying and designing to the final construction. It will also provide technical services, labor, equipment and materials. Sichuan Province, in southwest China, recently set up a similar corporation to undertake major projects overseas. [Text] [OW240419 Beijing XINHUA in English 1234 GMT 23 Jan 81 OW]

**JIANGSU IMPORT-EXPORT MEETING--**The Jiangsu Provincial Import-Export Work Conference concluded on 26 February. Hui Yuyu, governor of the province, addressed the conference on 24 February, reviewing the province's political and economic situation, praising provincial achievements in foreign trade in 1980, and calling on foreign trade personnel to serve the readjustment of the national economy, strengthen study, respect discipline and resist the influence of bourgeois ideas. The conference was attended by more than 260 representatives of the relevant units and departments. [Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 26 Feb 81]

HEBEI FOREIGN TRADE--Hebei Province promoted foreign trade in 1980. Procurement and export of foreign trade commodities overfulfilled the year's quotas respectively 60 days and 40 days ahead of schedule. By 20 December 1980, the total value of procurement of foreign trade commodities was 1.26 billion yuan, showing an increase of 31.2 percent over the same period in 1979. The total export value amounted to \$570 million, showing an increase of 45 percent over the same period in 1979. In order to promote foreign trade, the Hebei Provincial People's Government held a meeting in February 1980 to sum up experiences and commend advanced units. [HK070835 Shijiazhuang Hebei Provincial Service in Mandarin 0430 GMT 31 Dec 80]

FUJIAN BEARING EXPORT--Fujian Province has promoted bearing exports in 1980. The total value of bearing exports in 1980 was increased from \$50,000 to \$120,000. In addition to increased production, product quality has also been improved. [Fuzhou Fujian Provincial Service in Mandarin 1035 GMT 22 Jan 81]

FOREIGN TRADE PROSPECTS--The WEN WEI PO contributing correspondent has interviewed a certain authoritative figure with regard to readjustments in China's foreign trade. According to his analysis, people should not simply interpret the readjustment of the country's foreign trade work as "retreat," one should say that there are ups as well as downs, and the general picture is one of growth and development to a certain extent. Specifically speaking, the growth of the country's foreign trade will suitably slow down this year, nevertheless China will continue to strengthen her weak links such as transport, port and warehouse facilities, packaging and so on. There will also be some changes in the structure of imports and exports. In particular, China must change its past methods of relying for success on low-grade, low-priced goods of dependable quality, and switch to relying for success on quality, variety and good packaging. In technological imports, China should switch from importing large quantities of complete sets of plant to importing key technology and equipment. It is also necessary to improve management of foreign trade, strengthen economic accounting, do a good job in sales work, reduce overstocking, speed up the turnaround of capital, and improve economic results. [Text] [HK140346 Hong Kong WEN WEI PO in Chinese 14 Feb 81 p 1]

FOREIGN TRADE CENTERS--China will establish four foreign trade centers this year in Shanghai, Guangzhou, Tianjin, and Dalian. The centers will be integrated complexes comprised of various import-export companies, and will serve the individual or joint import-export activities of the various provinces, municipalities, and autonomous regions. (Excerpt) [Beijing SHICHANG in Chinese 18 Jan 81 p 1]

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## LABOR AND WAGES

### WORKERS' LIVING STANDARD IN TIANJIN, HEILONGJIANG IMPROVING

Beijing CONGRERN RIBAO in Chinese 11 Dec 80 p 2

[Article: "Workers' Standard of Living As Shown by Two Surveys"]

[Text] Editor's note: Since the smashing of the "gang of four," particularly since the convention of the Plenum of the 11th Party Central Committee, both the party and the government have exerted great efforts to improve the people's living conditions and to settle the long-standing shortchange. Along with the recovery and development of national economy, living conditions for workers have been improved. In addition to the building of residential houses, the improvement of communications, and the initiation of collective welfare projects by the state, the income of individual workers has also been increased and their standard of living raised. The surveys conducted on some of the workers in Tianjin Municipality and Heilongjiang Province have clearly proved this point.

On the whole, however, the standard of living for our workers is still very low because of the increase of commodity prices resulting from the imbalance between accumulation and consumption in recent years. The increase, or disguised increase, of prices of some daily necessities is particularly serious, causing in effect a decrease of the workers' income. There are still many families in financial difficulty, and the scarcity of housing is a serious problem in the workers' daily life. This situation is attributed to our poor material foundation, large population, backward economy and, above all, the sabotage of the Lin Biao-Jiang Qing counterrevolutionary clique which brought our national economy to the brink of collapse. The shortchange to the masses is too much. Economic improvement in the past several years has been only in the nature of recovery. The many problems in the people's living conditions, accumulated over many years, cannot be solved all at once, and the steps to be taken for their improvement cannot be overly hasty.

Living standard is decided by the level of production, and the rise of the standard of living is inseparable from the development of production, because they are interdependent and mutually supplementary. If we want to improve people's living conditions without the development of production, we are simply building castles in the air or expecting water when there is no water source. Increasing the workers' income beyond the limits permitted by realities can only lead to a disjointed supply system and currency inflation, create financial chaos and obstacles to the development of production, and ultimately hinder any attempt to raise people's standard of living. Therefore, for fundamentally improving people's living conditions and increasing their income by a wide margin, the principal method is for the masses to develop the revolutionary tradition of self-reliance and hard struggle by working hard in production so as to accelerate the realization of the four modernizations. At present, the state is proceeding with the readjustment of the national economy, the resolute curtailment of capital construction projects, the reduction of the ratio of accumulation to consumption by changing the long-standing practice of striving for the former at the expense of the latter, or being concerned with only the "bone" but not the "flesh." These measures are being taken only for the sake of correctly handling the relationship between production and livelihood and insuring the gradual improvement of people's living conditions on the basis of developing production.

Improvement of people's livelihood involves many aspects and calls for efforts in various fields in working out an overall planning and comprehensive arrangement. However, improvement of the workers' living conditions is mainly manifested in the increase of their wages. According to the surveys on a municipality and a province, the size of families and the number of people awaiting jobs have a direct and close bearing on the normal standard of living based on the workers' wages. Therefore, success in family planning, population control, broadening the avenues of wealth, and a radical solution of the employment problem, particularly for families in financial difficulty, is of great significance in the improvement of workers' living conditions. The actual standard of living of the people is mostly regulated by the prices of consumer goods. The measures for stabilizing prices is therefore an important condition for preventing the lowering of their standard of living. We must resolutely stop the erroneous methods of increasing profits only through the increase of prices instead of improving the management of enterprises. We must try every possible way to increase production, lower prices and insure the actual rise of the workers' standard of living.

## Survey On Workers' Standard of Living in Tianjin

The general tendency of the workers' standard of living in Tianjin in recent years has been toward increased income, improved livelihood and the reduction of families in financial difficulty. According to a survey on the workers' standard of living among 10,000 households in the municipality in 1979, the number of poor families having an average of less than 16 yuan for living expenses amounted to 2.81 percent. In April 1980, another survey on 5,458 households showed a reduction of these families to 2 percent. In October 1980, a third survey conducted on 4,905 households, showed a further decrease to only 1.61 percent. A typical survey was also conducted on 81 workers and staff members of No 5 Workshop of the People's Printing Factory. Six, or 7.4 percent, of them had an average of less than 20 yuan for living expenses, and only one, or 1.23 percent, of them had less than 16 yuan.

The standard of living of some workers with financial difficulty has steadily risen mainly because their children have been given jobs; for others, better living was attributed to adjusted wages or some change in the number of their family members.

The poor families having an average of less than 16 yuan for the living expenses of each person generally suffered from these conditions:

1. Low wages, not enough bread earners, but many dependents, particularly child dependents. The increase of prices of daily necessities since the beginning of the current year has added to their difficulty.
2. Dependents living in the countryside, or in the cities without residence registration for a long time.
3. Some family members having chronic diseases, living on labor protection welfare, or dying of illness. These workers may also have a heavy burden because of the medical expenses for their sick ones.
4. The return of married intellectual youths to the cities. Generally, jobs are given to the male youths, but not the female, thus causing hardship.
5. Irrational birth rate among some families failing to practice planned parenthood.

What is the extent of hardship of households in which each member gets an average of less than 16 yuan, which is hardly sufficient for subsistence? Let us take the case of Jin Zhongsheng [6855 6945 0524], a worker of Red-Flag Bicycle Plant, as an illustration. He has a family of four and a monthly income of 63.72 yuan. His monthly expenses are as follows:

Items	Expenses
Grain, 124.5 jin	20.03 yuan
Coal, 400 jin	5.60 yuan
Firewood, 15 jin	0.54 yuan
Edible oil, 2 jin	1.76 yuan
Soy Bean Sauce, 5 jin	1.00 yuan
Salt, 2 jin	0.30 yuan

Items	Expenses
Vinegar, 1 bottle	0.18 yuan
Meat, 8 jin	9.60 yuan
Vegetables, 10 cents per head daily	15.00 yuan
Rental, water and electricity	4.64 yuan
Clothes, 69 feet per annum	3.45 yuan

(monthly expenses is based on an annual expenditure of 41.4 yuan worked out at the average rate of 60 cents per foot)

Thus he has to spend 62.10 yuan, close to his monthly wages. Yet these expenses do not include nonstaple food ingredients, shoes, socks, cotton wool, knitwear, toothpaste, soap, toilet paper, matches and other daily necessities. If these expenses are added to the total, then the average living expenses for each person cannot be less than 20.36 yuan. Even then, the total does not include expenses for the New Year and other festive occasions, maintenance and repairs, addition to furniture, cultural entertainment, and miscellaneous expenses for the children's schooling.

As a solution to the problems of families with financial difficulty, the following aspects can be considered:

1. Priority for the sons and daughters, or dependents of these families, for job opportunities.
2. Strengthened control of prices, particularly the prices of the daily necessities of which the masses cannot possibly be without, and prevention of private price increase or disguised price increase.
3. Readjustment of the scale of subsidy for workers in financial difficulty.

#### Survey on Workers' Standard of Living in Heilongjiang

In April 1980, a sampling survey was conducted by the units concerned in Heilongjiang Province on the household income and expenditure of 12,130 working families in the first quarter of the year in 10 municipalities and counties, namely, Harbin, Qiqihar, Daqing, Hegang, Yichun, Mudanjiang, Jiamusi, Suihua, Acheng and Nehe. Compared with 1977, these households' income has undergone some changes:

1. More people have jobs and their standard of living has risen. In the first quarter of 1980, the average number of working people in each household was 2.2, an increase of 0.25 person or 12.8 percent over 1977. Each working person supported an average of 2.14 persons (including the working person himself). This is 0.32 person or 13 percent less than that of 1977.
2. Some change has taken place in the composition of the workers' income, because of the increased ratios of bonus and subsidies of various kinds. According to the survey in Harbin Municipality alone, the bonus and subsidies of various kinds constituted 16.71 percent of the workers' income. In the first quarter of 1980, according to statistics, each worker received an average of 3.96 yuan of bonus, and in his family, each member received a nonstaple food subsidy of 2.56 yuan each month. These two items accounted for 69.56 percent of the increased portion of the

workers' wage. Moreover, there have been two wage readjustments since 1977, and the total amount of wage increase in the province worked out to an average of 2 additional yuan per person.

3. The average income for each person's living expenses has been increased. In the first quarter of 1980, the average monthly living expenses for each member of the worker's family was 28.48 yuan, an increase of 28.6 percent over that of 1977. The average income for workers in county towns is 12.8 percent less than that of city workers, although their increase of income was more than that of the city workers by 4.26 percent. This was largely because the number of working people in each household in county towns was only 2.09 persons. Compared with the average number of working people in each city household--2.22 persons--it was 0.13 person less. The average working people has also to support 0.9 person more than the city worker did.

4. The number of workers' families of the low income bracket has been reduced. Among the 12,130 households, the number of those with an average of less than 20 yuan for each person's living expenses accounted for 39.43 percent of the total in 1977. Now the number has been reduced to 17.42 percent; and the number of those with 20-30 yuan per person was reduced from 41.14 percent to 39.65 percent. On the other hand, the number of households receiving from 30 to 40 yuan per person was increased from 13.48 percent to 25.17 percent; that of households receiving from 40 to 50 yuan per person was increased from 4.39 percent to 11.55 percent; and that of households receiving more than 50 yuan per person was raised from 1.56 percent to 6.21 percent.

The main factors affecting the level of income was: First, job opportunities. Each household in which each person had an average of more than 50 yuan for living expenses, had an average of 2.83 working persons, and there were only 9.03 persons in every 100 household awaiting for jobs. Each household in which each person had an average of less than 20 yuan for living expenses, had only an average of 1.51 working person, and there were 27.31 people in every 100 families waiting for jobs. The latter number is more than 3 times the former. Second, retired people as a cause of the difference. Among the households in which each person had an average of more than 50 yuan for living expenses, there were an average of 14.08 retired workers in every 100 households, whereas among the households in which each person had an average of less than 20 yuan for living expenses, there were 3.45 retired workers in every 100 households. Third, the effects of the size of the households. Among the households in which each person had more than 50 yuan, the constant number of people was 3.4 while among those households in which each person had an average of less than 30 yuan, the average constant number of each household was 5.65 persons. The latter is 2.2 persons more than the former.

5. Conditions of residence. In the first quarter of 1980, the 12,130 families occupied a total area of 204,750 square meters, averaging 3.57 square meters for each person, being 0.37 square meters more than the 1977 figure.

6. The possession of durable consumer goods. For every 100 households, there were 116 bicycles, 50.9 sewing machines, 191 wrist watches, 67.5 radio sets, 6.7 TV sets, 2.1 gramophones, 0.9 tape recorders, 0.9 cameras and 0.2 electric fans.

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## LABOR AND WAGES

### INCREASED INCOME FOR CITY WORKERS IN GUANGDONG

Guangzhou NANFANG RIBAO in Chinese 16 Dec 80 p 1

[Article by NANFANG RIBAO correspondent: "Fewer Poor and More Well-to-Do Families in Large and Medium-size Cities of Our Province--Income for Workers of Units Owned by the Whole People Now 60 Percent Higher than in 1964"]

[Text] The income for workers of large and medium-size cities in our province is now 60 percent higher than in 1964. There are fewer poor and more well-to-do families, and the average monthly income for each member of a worker's family is higher than the national average, though lower than that of Shanghai.

In a recent sample investigation, the Provincial Statistics Bureau, in collaboration with the Provincial Commercial Bureau, the Provincial Labor Bureau, the banks, and the Federation of Trade Unions, picked out 7,066 families of workers of various types--including enterprise managers, technicians, ordinary workers, store clerks, teachers of elementary, secondary, and high schools, scientific research workers, doctors, cadres, and so forth in various units owned by the whole people and by the collectives--in Guangzhou, Foshan, Shaoguan, Shantou, Zhaoqing, and Haikou, for a onetime check on their income for the first quarter of 1980. According to the data gathered from the investigation, each household consisted of 4.45 persons, including 2.53 working persons and 0.28 unemployed. Each working person had to support an average of 1.76 persons, and each person in the family received a monthly income of 35.94 yuan, which was higher than the national average by 9.4 percent but lower than Shanghai's average by 10.1 percent. However, the workers' standard wages in our province are lower than the national average. Their income is higher than the national average because we have many overseas Chinese and the regular remittances received here from abroad are greater than is the case in the fraternal provinces and municipalities. Shanghai is an old industrial base with many old workers. The wages of workers left over from the former enterprises of joint public and private ownership were originally high, and the standard wages in Shanghai are higher than ours. Furthermore, Shanghai's rate of population growth is lower and there are more job opportunities. That is why their workers' income is higher than ours. In the families of workers of units owned by the whole people in our province, each person's monthly income is now 61.3 percent higher than in 1964, mainly because of the increased job opportunities in recent years and the rapid increase in the number of working people. Wages for some workers have been increased in addition to the payment of bonus. Hence their increased income.

## TRANSPORTATION

### STATUS OF CHINA'S SHIPBUILDING INDUSTRY

Beijing CHUANBO SHIJIE [SHIPPING WORLD] in Chinese No 24, 15 Dec 80 p 1

[Article: "Statement (Excerpts) by Wang Ze [3076 3419], Deputy General Manager of the China Ship Industry Company, and Chief of the China Ship Industry Company Delegation, at the Hong Kong Far East Export Shipping Exhibition and Sea Trade Conference; Progress in the Development of China's Shipbuilding Industry"]

[Text] Wang Ze, general manager of the China Ship Industry Company and chief of the China Ship Industry Company's delegation, made a speech before the Hong Kong Far East Ship Export Exhibition and Sea Trade Conference on 19 November on the subject, "Progress in the Development of China's Shipbuilding Industry." The speech was divided into four parts: the long history of China's shipbuilding industry; the current status of the Chinese shipbuilding industry; foreign contacts of the Chinese shipbuilding industry; and development of China's shipbuilding industry. Excerpts follow.

#### Current Status of the Chinese Shipbuilding Industry

Currently the Chinese Ship Industry Company operates 78 worksites devoted to the export and import trade, of which 18 are shipyards; the others are plants for marine machinery, and plants for marine instruments and electronic equipment. Additionally, it operates three shipbuilding institutes of higher learning and more than 20 design institutes for ships and ship equipment. It has a total of 250,000 employees.

China's shipyards have more than 80 shipways, of which 10 are shipyards above the 10,000-ton class, and 12 docks, of which 4 are above the 10,000-ton class. During the past 30 years, they have designed and built a total of 13,000 ships of more than 500 different types, of which almost 100 were of the 10,000-ton class. Of the various kinds of ships built, there were 50,000-ton tankers, 25,000-ton bulk freighters, 24,000-ton tankers, 16,000-ton coal ships, 7,500-ton passenger ships, 10,000-ton oceangoing survey ships, 9,000-horsepower oceangoing tugs, 40-meter deep-water self-jacking well-drilling platforms, 4,500-cubic-meter raking and sucking type dredges, and various medium and small transport ships and engineering ships. Currently, more than 2,000 ships totaling more than 800,000 tons can be built annually--mostly medium-size and small ships.

The Chinese shipbuilding industry possesses rather strong capabilities for building diesel engines and auxiliary marine engines, and marine instruments. It has

already built high-, medium-, and low-speed diesel engines of under 12,000 horsepower for use on various ships. It is currently developing low-speed marine diesels of the "RND" series introduced by the Suershou [5685 1422 1108] Company of Switzerland, and the "PC" and "PA" series medium-speed marine engines introduced from France. A contract has already been signed for introduction of "B & W" series low-speed diesel engines from Denmark. In addition, the first hydraulic pressure crane for marine use produced with foreign cooperation is about to be completed.

The Chinese shipping industry is fairly large and possesses a substantial scientific research and design force of a definite level. Its Chinese Ship Research Center, which engages in research work on fluid dynamics and structural dynamics of ships, has quite complete and fairly large testing facilities, e.g., a 474-meter-long deepwater boat model towing tank, cavitation water cylinder [4500 3133 3055 3159], wave resistant tank, operational rotating arm tank, and ship structure laboratory, and photoelastic laboratory. There is the Shanghai Ship and Ocean Engineering Design Institute, with more than 1,000 design personnel who are able to do design work on all kinds of passenger ships, freighters, tankers, survey ships, refrigerator ships, dredges, cranes, hydrofoil boats, hovercraft, self-jacking well-drilling platforms, and semisubmersible well-drilling platforms. Additionally, the Shanghai Ship Engineering Design Institute has more than 1,000 plant design technicians in the various specialties needed for shipbuilding industry plant design, such as shipbuilding technology, marine machine manufacture technology, marine instrument manufacturing technology, nonstandard equipment design, civil engineering design, and hydraulic engineering design.

#### The Chinese Shipbuilding Industry's Foreign Contacts

In the realm of ship export, China has signed contracts with foreign traders to build a 27,000-ton bulk cargo ship, a 36,000-ton bulk cargo ship, and a group of lighters, and it is currently holding talks with foreign traders on contracts for the ordering of 60,000-ton, 36,000-ton, 27,000-ton, and 10,000-odd-ton cargo ships, 5,000-ton cargo ships, and tankers and petroleum drilling platforms. Some of the design blueprints for these ships are Chinese, and some are joint designs done by China and the foreign companies concerned. Blueprints recommended by foreign customers may also be used. Fitting out will be done as required by those placing orders for the ships, with equipment that meets international quality standards being licensed for manufacture in China, or else with brands well known throughout the world being purchased. As for the flag under which the ships will sail, this is up to the owners. In short, in the export of ships the China Ship Industry Company is prepared to use flexible and diverse methods to satisfy the needs of its customers.

In addition to exports of ships, we have used compensatory trade or cooperative production with numerous foreign companies to produce export containers, road-building equipment, diesel engines, marine electric power stations, deck machinery, electric motors, metal components, and castings and forgings, as well as numerous other machines and electronic products.

In order to raise China's shipbuilding standards to make ships built in China meet international standards and enter the international market, in recent years

years we have entered into discussions with appropriate foreign companies about the introduction of appropriate new shipbuilding techniques and equipment. As of now, we have signed licensing agreements for the Swiss "RND" series low-speed diesel engines, the French "PC" and "PA" medium-speed diesel engine series, the Danish "B & W" series low-speed diesel engines, German "MAN" diesel engines and "Magekeliag" [7456 2706 0344 0441 2706] hatch covers, and Japanese "IHI" deck machinery, and with certain companies for the production of hydraulic hoists. In addition, discussions are currently underway with certain companies on licensing agreements for marine auxiliary machinery and marine instruments.

The China Ship Industry Company has established scientific and technical cooperation and trade relations with more than 40 countries and regions. The Shanghai Jiangnan Shipyard and the Japanese Mitsubishi Heavy Industry Company, and the Dalian Shipyard and the Japanese Hitachi Shipyard have established technical cooperation relationships, and China's machine manufacturing plants and the Japanese "IHI" Company are engaged in technical cooperation. We and the Hitachi Shipbuilding Company are jointly designing a dual-purpose 100,000-ton ore and grain ship. In addition, the Dalian Shipyard has signed an accord with the AKER group in Norway for the cooperative production of AKER H-3 type semisubmersible well-drilling platforms.

#### Outlook for the Chinese Shipbuilding Industry

**Organizational System Reforms.** In order to meet the needs of construction of China's four modernizations, the Third Session of the Fifth Chinese National People's Congress raised major economic reform issues. It is expected that the following trends will occur in reform of the organizational system of the Chinese shipbuilding industry. First will be enlargement of autonomy for enterprises in operations and management, in a change away from overly stringent control by administrative and management organizations and a situation of excessive uniformity, so as to further arouse the enthusiasm of enterprises and their employees and so as to improve operation and management and to achieve an increase in economic benefits. For example, as long as plans handed down by the state are guaranteed of fulfillment, enterprises may, on the basis of the domestic market and export needs, accept outside jobs, and market and sell in accordance with state policies. Once enterprises have fulfilled their profit plans, they may retain a portion of the profits for use as capital for the development of production, for the welfare of the collective, and as awards for workers. A certain proportion of foreign exchange earnings created by the efforts of enterprises that have engaged in exports may be retained for use as the enterprises see fit. Enterprises may decide the form of wages of workers (such as payment of piecework wages), and they may prescribe methods of rewards in accordance with state regulations. Reforms of all these kinds are being tried out in some enterprises right now, and their scope will be gradually enlarged next year.

Second, the system of organization for imports and exports by the Chinese shipbuilding industry is also undergoing reform. Since March of this year, the state has been permitting the China Ship Industry Company to conduct import and export business directly with the outside world. The China Ship Industry Company is an independent import and export company "combining industry and trade" and

possessing economic and legal status whose primary areas of operations are the export of ships, the import and export of marine machinery and instruments, the introduction of new technology and new products for shipbuilding, the processing of materials brought into China from outside, the assembly of materials brought into China from outside, compensatory trade and partnership operations, and the providing of technology, technicians, and workers for use outside the country. The China Ship Industry Company has also set up branch companies or offices in Shanghai, Guangzhou, and Shenchuan to handle exports. Furthermore, subordinate enterprises in the company will in future also be able to accept export and repair work either directly or by entering into business talks with foreign traders, signing contracts with them.

**Shipbuilding Capabilities.** Though the Chinese shipbuilding industry has shown outstanding progress since the establishment of new China, nevertheless it still lags behind both in the management of its worksites and in certain of its production technologies. In order to meet the requirements of domestic shipping and the international market in ships, the China Ship Industry Company is in the process of making technical reforms at the Dalian, Jiangnan, and Hudong shipyards, expanding production capabilities from 60,000-ton to 100,000-ton ships, and creating conditions for the building of ships larger than 100,000 tons. It is simultaneously organizing mass production of 20,000-ton and 30,000-ton ships, and it is estimated that by 1985 great growth will take place in its production capacity, with the maximum size of the ships being constructed between 100,000 and 150,000 tons. Still another trend in the development of China's shipbuilding industry is the building by Chinese shipyards of an increasingly large number of oil-drilling platforms, special purpose ships, and oil production platforms to keep pace with the exploitation of petroleum in China's coastal waters.

The building of large ships and equipment for oil exploitation requires capital. To augment the investment made by the state, we are currently discussing investment loans with some foreign shipowners and financial institutions, and engineering groups. When terms are favorable, and providing we are able to make repayment, we welcome investment in China by foreign companies and groups.

For convenience in the maintenance of marine equipment and supplying spare parts for it, equipment commonly used internationally can be used in accordance with requirements of foreign traders. However, as pertinent foreign patents are introduced to China and Chinese industrial plants organize test manufacture and production, once Chinese manufactures have the same characteristics and quality of foreign manufactures, we will gradually increase the proportion of domestically manufactured equipment in order to reduce costs and conserve foreign exchange.

**Export Business.** It is estimated that within a few years a gradual increase will come about in the numbers and varieties of ships exported from China. In addition to ships for export for which contracts have presently been signed, Chinese-manufactured 60,000-ton to 100,000-ton ships, self-jacking and semiautomatic-jacking well-drilling platforms, and pleasure boats will successively enter foreign markets. It must be pointed out, however, that the main function of the Chinese shipbuilding industry will be to satisfy domestic needs, and that with the development of the "four modernizations," domestic needs for ships will become greater and greater. Since our current production capabilities are not

high, our export of ships will be for the purpose of satisfying domestic needs and to meet requirements for development of economic and technological exchanges with foreign countries; therefore the number of ships exported will still be limited over the next several years.

At the present time, foreign traders have ordered a very large number of ships over 10,000 tons from China, and a certain amount of time will be required for our company to expand its production capacity. Acceptance of orders for many ships of more than 10,000 tons requires that very good arrangements be made. There is, however, still a large unused potential for the building of all sorts of fairly small ships, such as 5,000-ton and smaller cargo ships, fresh produce ships, and lumber ships. We welcome construction orders from shipowners in all countries.

In order to do a good job of upkeep on ships exported from China, the China Ship Industry Company will increase production for export of spare parts, and it will gradually establish repair stations in China's coastal ports, and particularly in Hong Kong, in order to satisfy the needs of shipowners.

In summary, the China Ship Industry Company wants to engage in active negotiations with business customers in all countries of the world regarding the export of all kinds of products on the principles of dependable quality of its products, timely delivery, reasonable prices, and good service. We also desire mutual cooperation with all parts of the world, especially with shipyards and shipowners in the Far East, in order to promote development of the world's shipbuilding industry and shipping industry and in order to make a contribution to the diversification of the economy and the technical progress of the Far East.

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## TRANSPORTATION

### DEVELOPMENT OF WATER TRANSPORT IN GUANGDONG ADVOCATED

Guangzhou NANFANG RIBAO in Chinese 16 Dec 80 p 2

[Newsletter by NANFANG RIBAO correspondent Ye Zhihui (0673 2784 6540) and reporter Liu Gaohua (0491 7559 5478): "Bring the Strongpoints of Our Province Into Play and Develop Water Transport in Earnest"]

[text] At present, the communications and transportation facilities in our province are somewhat strained. How to make good use of our strongpoints and steer away from our weakness or to bring our strongpoints into play is a problem deserving our attention if our communications and transportation system is to be improved. In our news coverage, we have deeply felt that in bringing our strongpoints into play, we should make full use of our favorable conditions and develop water transport in earnest so as to expedite the flow of materials between the north and the south by "apportioning the traffic between railways and waterways."

The job of moving our materials to and from the north has mainly been undertaken by the railway departments. In recent years, two different situations have frequently arisen in communications and transportation: First, southbound goods have continued to increase and the railway departments have difficulty in coping with the heavy traffic. We understand that these goods have to be transported along the Beijing-Guangzhou rail line, which has to pass through Pingshi station before entering our province. These goods are enough to fill more than 1,200 freight cars. However, because of the Pingshi "bottleneck," only about 800 cars can pass through, while one-third of the total load has to be left behind. Although the building of a second track on the Beijing-Guangzhou line is now in progress, it will take several years before the new track can be completed, and the railway departments cannot be expected to increase their freight hauling in the near future. Second, there is a great potential for water transport, because many ships are "underloaded." The handling capacity of our main ports in Guangzhou, Zhanjiang, Haikou, Basuo, and Sanya has increased spectacularly after some expansion and the tapping of potential. The fleet of the Guangzhou Sea Transport Bureau, which is responsible for sea transport, is increasing year after year, and its tonnage has increased from some 700,000 tons in 1978 to more than 1.1 million tons. Many ships are now being left idle. According to information from departments concerned, this bureau is capable of transporting from 150,000 tons to more than 200,000 tons of coal each month with its existing transport capacity. Yet only some 50,000 tons of coal are carried each month. There is also great potential for the routes from Guangzhou to Shanghai, Qingdao, and Dalian. Therefore,

the obvious way to ease the strain on our communications and transportation system is to bring strongpoints into play by making full use of the coastal ports and the sea fleet for the large-scale development of water transport.

Apart from easing traffic congestion, the development of water transport will be highly beneficial to the materials departments as well as to the state, in view of the safety factor, the speed, the large capacity, the low prices, and other advantages. For example, apples produced in the north have had to be transported to Guangzhou solely by rail, and each freight car with a capacity of 60 tons could only carry 15 tons of apples. Thus a train with 15 cars could carry only 225 tons in one trip which took approximately 6 days. In the past several months, the Guangzhou Sea Transport Bureau dispatched three ships, including Hongqi No 160, to carry apples from Qingdao to Guangzhou. These three ships carried more than 2,000 tons in three separate loads, and each trip took only 5-1/2 days. Again, motor cars manufactured by Changchun No 1 Vehicle Plant used to be loaded onto a train in Dalian and carried to Guangzhou, and the transportation charge for each car was 600 yuan. Now the cars are loaded onto ships at Dalian and carried to Huangpu, and the transportation charge for each car is only 180 yuan, a saving of over 400 yuan. To our knowledge, the materials departments are quite pleased with the sea routes from Guangzhou to various points up north. The Guangzhou Sea Transport Bureau allocated one quarter of its fleet to cover these routes, and in the first half of 1980, these ships brought back more than 300,000 tons of vehicles and steel materials, besides clearing the shipment of all our urgently needed goods that had been stranded in the north. They also brought back all the rice, flour, and sundry goods supplied by Zhejiang, Jiangsu, and Shanghai for our support. What particularly pleases the materials departments is that instead of sending their goods by rail to Huangpu to be transshipped to Shantou, Zhanjiang, or Hainan, they can now send them direct to the destinations by sea, thus saving both time and money.

By bringing into play Guangdong's strongpoints in water transport and by apportioning the traffic between railways and waterways," the easing of traffic congestion is now being increasingly appreciated. However, there is still a lot to do in bringing the strongpoints of water transport into play. For the present, there are several major problems to be solved: First, the port and the navigation administration departments should cooperate closely in raising the efficiency of loading and unloading in order to speed up the turnaround of ships and raise the payload. At present, the payload carried by ships is usually very low, and this means a waste of transportation capacity. According to reports received, the vessels of the Guangzhou Sea Transport Bureau could carry a total of more than three full loads in 1 month; now they carry only one and a half loads, or only half of the permissible payload. Second, the quality of loading and unloading should be improved in order to reduce damage or loss. Third, the materials departments concerned should improve the packing. Because of poor packing, cement, glass and metal goods have been damaged during the voyage. Fourth, if conditions permit, a combined water and land transport service should be developed and the transportation of containerized freight should be promoted in order to expedite transshipments.

Large-scale development of water transport will help our province implement the special economic policies and accelerate the four modernizations, and conditions are now favorable in all respects. Therefore, the planning, materials, and communications departments must have a common purpose and cooperate with one another accordingly. Only thus can communications and transportation in our province fully display their strongpoints and steer away from their weaknesses in order to develop our economy and serve the people more effectively.

TRANSPORTATION

BRIEFS

TIANJIN SERVICE COMPANY--Tianjin, 17 Feb (XINHUA)--The Tianjin branch of the Chinese Agent Company for foreign vessels has added new services for foreign vessels and their crews. This includes the scheduled dispatch of a service boat to the vessels to help make arrangements for medical treatment, shopping, ~~couris~~, freight stevedoring, vessel arrival and departure and vessel repair. [Beijing XINHUA Domestic Service in Chinese 0108 GMT 17 Feb 81]

BELJING TRAFFIC SAFETY--Beijing, 18 Feb (XINHUA)--The number of traffic accidents in Beijing during 1980 dropped by 8.7 percent as compared with 1979. During 1980, Beijing built and improved 10 main roads, totaling 50 kilometers in length. According to statistics, over 1,500 advanced collectives, 70,000 drivers and 6,000 traffic safety activists were commended in the capital in 1980 for their excellent safety records. [Beijing XINHUA Domestic Service in Chinese 0019 GMT 18 Feb 81 OW]

SHANGHAI SHIP DELIVERY--A freighter with 17,500-dun loading capacity, built by China for the Hong Kong Maritime Shipping Company, was delivered to the buyer on 20 February at the Shanghai Ship Yard. It is 164.35 meters long, 22.86 meters wide and equipped with diesel engines and sewage disposal machine. [Shanghai City Service in Mandarin 1130 GMT 20 Feb 81]

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**GENERAL**

**BRIEFS**

**HONG KONG SWINDLER--Zhengzhou, 15 Jan (XINHUA)**--The intermediate people's court of Xuchang Prefecture in Henan Province on 10 January sentenced Hong Kong merchant Li Yue to 7 years imprisonment for attempting to swindle Zhao Piyan, a female Chinese citizen who owns property in Japan. Li Yue, once arrested by our public security organs on charges of speculation and profiteering in 1952 and 1959, teamed up with a Japanese named Okasaka Shozo and a commune member in Lushan County named Zhang Bingyan to forge a death certificate for Zhao Piyan and a certificate of Zhao Piyan's household registration in an attempt to prove that he himself was the son-in-law of Zhao Piyan. Zhao Piyan, now 81 years old and living in Beijing, had bought many houses and land when she and her husband were in Japan before 1943 and buried large amounts of gold and jewels under the houses. [OW220549 Beijing XINHUA Domestic Service in Chinese 1523 GMT 15 Jan 81 OW]

**NANJING STUDIES CENTRAL DOCUMENTS--**Leading party and government cadres at all levels in Nanjing Municipality, Jiangsu, have been joining the masses in studying the guidelines of the CCP Central Committee and implementing the policy for further economic readjustment and better political stability. They include Yang Chubin, second secretary of the municipal CCP committee, and Liu Feng, deputy secretary of the municipal CCP committee and chairman of the municipal people's congress Standing Committee. These municipal leaders are also explaining the document of the CCP Central Committee to the cadres and masses of various grassroots units to help them study and implement it, do away with the influence of the ultraleft line and unify their thinking on the basis of the document. The municipal leaders are making the cadres and masses see the need to eliminate the leftist influence in order to understand the line, principles and policies adopted since the 3d plenary session of the 11th CCP Central Committee and implement them in order to further readjust the national economy. [Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 18 Feb 81 OW]

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